HUMAN EVENTS

Vol. XV, No. 5 | Monday, February 3, 1958 | Washington, D. C.

News Section

Printed in Two Sections

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Soft On Labor: While the gusty vigor of Walter Reuther bends the unimpressive resistance of auto company heads, labor probers in Washington likewise bow their heads before the political power of America's most aggressive labor boss.

Reuther last week grabbed the rostrum of a congressional hearing room to assail — and very effectively — the auto industry employers, as a part of his developing campaign to win wage and other demands for members of his United Auto Workers Union. So far, General Motors, Ford and Chrysler have demonstrated very little skill in mounting a counterattack.

Concern among businessmen that Reuther will pull a big strike adds to their mounting uneasiness about the economic recession. Such a strike, it is feared, might spin the country into a real depression. But impartial experts in the Capital predict: "No strike will occur; Reuther will win a token victory on profit sharing and some wage benefits. The auto heads seem inept and have no kidney for a shutdown."

Meanwhile, the McClellan Committee in Washington drones on, providing almost daily revelations of the picturesque larcenies of certain labor bosses (who are not politically friendly to Marxist Reuther). Unfortunately, the public seems to find these exposures less absorbing than formerly. News stories on the probe retreat further and further into the back pages of newspapers.

As observers here analyze it: the people, while they have been shocked by the results of the committee's endeavors, no longer register excitement. The public mind apparently now regards the hearings with bored cynicism. What the groundlings obviously crave is richer meat than the Dave Becks; their question is: what about Reuther?

On that score, silence reigns and probably will continue to reign for many weeks to come. For, Chief Counsel Robert Kennedy (whose brother wants to be President of the United States) manifests no great hurry to bring Reuther to the stand. The investigators (only three out of a total staff of 150) who last December bravely started to probe UAW affairs now sit in the wings. What Kennedy is doing about this area of investigation, and when he intends to get going, remain a mystery.

Some reports penetrate this veil of discretion, such as the persistent rumor that Kennedy, when offered material (by the three original investigators) concerning Communist activity in the famous strike of the UAW against the Kohler Company, brushed the material aside as "not relevant."

HUMAN EVENTS reported, a month ago, that the McClellan Committee faced a challenge: if it really went into the doings of Reuther and the UAW, it would earn durable laurels; but if it failed that chance, it would go down in history as a merely partisan maneuver, designed to protect the Presidential possibilities of one of its members. As of today, observers fear it is likely to be the latter.

Conservative Democrats, roused by the situation, look back in history and point to a significant example of one who ran up decisive political mileage by "shooting straight" in a congressional probe. It was the courageous role of the then independent Senator, Harry Truman, in playing no favorites in the 1943-45 War Investigation Committee (of which he was chairman) which lifted him to national position and led to his elevation to the Vice Presidency and then to the number one spot.

Former Senator Owen Brewster, Republican of Maine, tells HUMAN EVENTS: "Truman on that committee (of which I was a member) treated our GOP minority with great fairness, and sternly ruled out all attempts to protect members of the Democratic Administration, its party bosses or any other influences of any character from genuine scrutiny of evils in the war effort."

Of course, Senator McClellan, and even Senator Kennedy, may wake up to the realization that the protection of the individual workers from all labor bosses, including Reuther, is the burning issue today — and that Senator Knowland has acquired seven-league boots in his race for the California Governorship by his recognition of this fact. (See "Union Bossism" item on page 3 for details of Knowland's forthright piece of Federal legislation.)

Many realistic veterans of the press, however, doubt that even such an awareness will alter the present uninteresting course of the Rackets Committee. They see no diminution of Senator Kennedy's Presidential ambitions, and add: "Well, Walter Reuther still has a mortgage on the Democratic party."

And they repeat a well-circulated but presently unpublicized story about Kennedy's defeat in his Vice Presidential bid at the Democratic Convention in 1956. At the crucial hour, word went round in the convention "Cow Barns" that Reuther had "vetoed" the nomination of Kennedy. Then Kefauver got it (and, it is added, paid off last week by giving Reuther a forum at his committee). Will Kennedy render obeisance to Reuther in coming weeks, or will he display a "profile of courage"?

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Not Cutting the Budget: Among the various areas of the swollen Federal Budget which invite the economizers' knife is the Department of the Interior. Just now, those on the Hill who want to keep down civilian agency expenses are incensed by knowledge of a deplorable waste of funds requested by Modern Republican Secretary of the Interior Seaton. The story also contains a tribute to a contrary policy by another Department, Secretary Anderson's Treasury.

In the past two years, the Treasury, in the interest of economy and efficiency, has liquidated the San Francisco mint. The mint office has now been occupied by other Governmental agencies, and rent has thereby been saved. Total savings: about $600,000. But there is another ancient mint building in the California city, which has more recently been used as a warehouse. The bureaucrats whom Seaton inherited from Harold Ickes fixed their eyes on this structure, and demanded it as a "historical museum," along with the funds to renovate it for such use. The cost, as it appears in the gigantic 1958 Budget: about $600,000.

One enterprising publisher in San Francisco — Lee Ettelston of the *Call-Bulletin* — exploded. His paper has been running a series of news pieces and editorials on the mint building case, stressing the necessity of getting this property on the local tax rolls. "There's one spot of fat in President Eisenhower's record peacetime Budget," said the *Call-Bulletin* on January 14, "which is so patently useless it can be whacked out immediately without further ado. . . . The thing to do with the dingy old white elephant [the ancient mint structure] is to tear it down, get the property back on the tax rolls . . . why waste the taxpayers' money on it and keep an immensely valuable piece of property off the tax rolls?"

San Franciscans also would like to do the same with the ancient Presidio "fort," now of scarcely any military use but occupying land which could well be utilized by real estate developers and could bring in local tax revenue. The same is true, say Budget analysts, of other pieces of Government-owned land elsewhere in the Nation.

Johnston and Foreign Aid: Conservatives turn a skeptical eye on the recent remobilization of Eric Johnston — "the left-wing's favorite errand boy" — for the purpose of "selling" US taxpayers on foreign aid. Johnston's present mission, as defined at a White House conference of "liberal" business leaders last week, is to raise a private subscription of $1.7 million, to be used in obtaining favorable publicity for the foreign aid program.

The money is to be channeled through two specially created private organizations, the "Committee for International Economic Growth" and the "Foundation for Education on International Economic Relations." Contributions to both organizations, it is reported, will be ruled deductible for tax purposes. (Reason for this departure is the amendment which Idaho's Republican Senator Dworshak succeeded in getting attached to the last Mutual Security Act. The amendment prevents the International Cooperation Administration from spending public funds to create publicity for itself.)

Foreign aid opponents, viewing this flurry of "liberal" activity, make a number of critical observations:

● The names of Clarence Randall, William C. Foster and Nelson Rockefeller — among the 17 chosen to assist in promoting the aid program — show that the selling job is in the hands of the same "team" that has led the way in all previous such "private" studies. Randall headed the commission that in 1954 affirmed the necessity of continued foreign aid; Foster, a long-time advocate of heavy foreign spending, was largely responsible for the "leaked" Gaither report; Rockefeller headed the group that produced last month's "Rockefeller Report," advocating astronomical expenditures (see HUMAN EVENTS for January 13 and 20, 1958).

● The Johnston group plans a mass rally to demonstrate the size of popular demand for foreign aid, February 25 — the day after hearings on aid appropriations begin in the House. *How is it, ask conservatives, that a venture so obviously designed to influence legislative activity is to be given the benefit of tax-deductibility?* (Many Washingtonians recall the case of "For America," which was denied similar privileges in 1955 for activity on behalf of the Bricker Amendment.)

● Other financial oddities in the sales program are noted. Johnston's work, for example, will be assisted by William C. Schmeisser, Jr. "His salary," commented the Chicago *Tribune*, "and the salaries of two secretaries from ICA who are now on the Johnston ballyhoo project are being paid from a White House 'special projects' fund. The taxpayers are thus paying to 'sell' themselves on the joys of taxing themselves in the amount of 3.9 billion dollars for distribution abroad."

● Finally, Johnston's own status in the program is made the subject of comment. He is President of the Motion Picture Association, a powerful lobby on behalf of the film industry. A rule of thumb in the motion picture world is said to be: "American sales cover the costs, foreign sales bring in the profits." Many foreign governments, moreover, have legislation limiting the number of US pictures that can be shown in their countries. Thus American filmmakers are highly dependent upon the good will of politicos abroad.

Under these circumstances, it is asked, how can Motion Picture representative Johnston be a disinterested party? Does anyone imagine that his assessment of the merits of foreign aid will be objective? In Johnston's semi-official attempts to influence America's legislative process, how important is the fact that he cannot afford to antagonize foreign politicians?

● Johnston is also a former President of the US Chamber of Commerce, and his leftward course has come as a surprise to some American businessmen. HUMAN EVENTS, however, called the turn on Johnston several years ago, when he was supposedly defending the free enterprise philosophy to the "radicals" of the Truman regime. "Any review of his record as 'Economic Stabilizer,'" ran the analysis that appeared in these columns, "shows him nobly indignant towards some businessmen, but charitably tender towards the labor politicos who are now in the ascendant in the bureau-

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cratic apparatus. Johnston is indeed a man-on-the-make and he is sufficiently wise in the folkways of Washington to play with the big battalions" (June 6, 1951).

Cultural Exchanges: "A triumph of Stassenism" — such is the verdict passed in the Capital on the "cultural exchange" agreement struck by the US and the Soviet Union last week. The agreement, providing a groundwork for radio, TV and other exchanges, is traced to the efforts of the "surrenderbund" in press and Government that has gathered around the Administration's disarmament specialist, Harold Stassen.

It represents, say anti-Communists, a huge concession in principle to the Communists, and obtains nothing worthwhile for the United States in return. Reports Baltimore *Sun* correspondent Paul W. Ward: "the Soviet Government will go on jamming Voice of America broadcasts in Russian; censoring other efforts to acquaint the 200,000,000 people of its nation with other than Communist versions of international dispute; limiting the freedom of Americans to travel in the USSR; and handpicking the Soviet citizens it lets out to see the United States."

● One sidelight to the agreement was a story demonstrating that the Communists are already hard at work using the "cultural exchange" device as a front for other less high-flown pursuits. During the negotiations that led up to last week's agreement, Charles Stefan, chief of the State Department's Bureau of Russian affairs, had an informal off-the-record chat with an interpreter travelling with the Russian violinist, Leonard Kogin. The chat then turned up as an "interview" in the Moscow newspaper, *Soviet Russia.* This "culturally exchanged" visitor, it is observed, obviously had more on his mind than violin music. How much more such information, ask anti-Communists, is similarly routed to Russia and into intelligence files, rather than into the newspapers? And how much greater will such risks become under a stepped-up program of "exchanges"?

"Liberal" Democrats: The Federal school aid stampede, headed by left-wing Democrats, is now in headlong motion. The chief Democratic proposal in the current session, sponsored by "liberal" Senator Lister Hill (D.-Ala.), would funnel Federal tax dollars into such programs as: 40,000 college scholarships and 40,000 loans to college students annually; a plan to pay college students Federal money for conducting projects in their major fields of study; supplying all top high school pupils with medals and scrolls; paying teachers $75 a week to go to summer school; *etc.* Estimated cost: $600 million a year.

Similarly, youthful left-wing Senator John Kennedy (D.-Mass.) last week announced that he will introduce a new Federal aid to school construction bill, proposing outlays of $300 million a year for five years.

Comment: The "liberal" Democrats, more and more ADA-dominated, are still "the vanguard of socialism."

● Meanwhile, Representative Ralph Gwinn (R.-N.Y.) levelled a telling blast at the new Federal school aid legislation proposed by the Administration.

"The audacity of this bill," Gwinn said, "is dumbfounding . . . the Federal scholarship program is nothing more than a smokescreen . . . more than 75 per cent of the funds provided by this bill goes directly into teachers' salaries. Its real title should be 'The Teacher Pay Bill of 1958, and its Vote-Getting Possibilities.'"

Further, Gwinn pointed out, "the states are warned by the legislation not to approve any program to increase the pay of their teachers prior to July 1, 1958. The bureaucrats don't want to miss out on controlling the salaries paid by the states."

Other points made by Gwinn: that the bill would provide appropriations for seven years, rather than four; that, under its terms, an applicant for aid could "learn a foreign language, at Federal Government expense, with allowances for . . . dependents, travelling expenses anywhere in the world, and get paid for leaving [his] present job and going to school abroad"; that the "bill is designed to bribe the state offices of education to cooperate in dreaming up statistical data. It provides money to be doled out to states who give the US Office of Education the answers they want."

Union Bossism: Senator William F. Knowland's bill to guarantee union democracy (S. 3068) is viewed as the most effective method yet proposed for cleaning up labor organizations and restoring control to the rank and file.

Broad and comprehensive, Knowland's measure not only covers virtually every phase of union operations, but also has more enforcement teeth than any other plan thus far dropped into the legislative hopper. Specifically, it guarantees secret ballot election of all union officers; secret ballots on recall of those officers when initiated by petitions signed by at least 15 per cent of the union membership, on all proposed changes in union constitutions or rules and regulations, and on all questions of dues, initiation fees or assessments.

Unions violating these secret ballot guarantees not only would forfeit their tax-exempt status (as is also proposed in several other bills), but would lose their exemptions (under the Norris-LaGuardia act) from anti-trust laws and from Federal court injunctions as well.

The Knowland bill received but scant public notice on its introduction, thanks primarily to the fact that the Administration speeded up its timetable so that President Eisenhower's proposed labor program went to Congress the same day as did Knowland's.

Capital consensus: passage of any substantive labor legislation this year is possible, but not probable, unless a new wave of public demand arises. Neither the Administration nor the McClellan Committee at this point shows any signs of pushing such legislation (see HUMAN EVENTS for January 13, 1958).

High Court: Attracting considerable attention in the Capital is a recently published biography of the late Supreme Court Justice Robert H. Jackson, by Eugene C. Gerhart, entitled *America's Advocate* (Bobbs-Merrill; $7.50). In recounting Jackson's legal and judicial career, the book draws together and preserves many

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facts about the workings of the left-wing Supreme Court that grew out of the New and Fair Deals.

Drawing particular comment is chapter 15 of the book, entitled "The Black Controversy," which gives the background of Jackson's 1946 quarrel with Associate Justice Hugo Black, after Black had refused to disqualify himself from a case being argued by his former law partner. "It was the political activity of the Black bloc, within the Court itself" — Gerhart relates — "which resulted in a ruling favorable to Black's former partner." (The same partner had also been retained by Black's investigating committee when Black was in the Senate.)

Also recounted in the chapter are details of Black's politicking within the Court to bring it under his personal control (his chief ally: William O. Douglas), and the story of how President Roosevelt contrived Black's appointment to the Court as a slap in the face of the Senate and the Court itself.

Finally, Washingtonians note the present relevance of the quotation that begins the book's chapter on Black — taken from an 1898 statement of Supreme Court Justice David J. Brewer:

> **"It is a mistake to suppose that the Supreme Court is either honored or helped by being spoken of as being beyond criticism. On the contrary, the life and character of its justices should be the object of constant watchfulness by all, and its judgments subject to the freest criticism . . ."**

Railroads: Americans mourn the tragic death last week of Robert R. Young, Board Chairman of the New York Central Railroad. Young, an enterprising financier, reportedly had been despondent over business matters. Since he was known as an ardent champion of the cause of the railroads against the long-cumulating encroachments of the Federal bureaucracy, his death has led to much discussion of the present plight of the rail industry.

Recent testimony before an Interstate Commerce Subcommittee, headed by Senator Smathers (D.-Fla.), indicates that if the railroads continue for the next ten years under the same conditions they have faced for the last ten, they will either be confronted with bankruptcy or be taken over by the Government. Daniel P. Loomis, President of the Association of American Railroads, charged that the approaching disaster is largely due to governmental transportation policies. Loomis cited the fact that heavy taxes are imposed upon railroads, while their chief competitors enjoy large subsidies. For example, Federal excise taxes, established during World War II to discourage public travel, are still in force twelve years after the end of the conflict. While railroads must spend more on the maintenance and improvement of roadway and trackage and also continue paying stiff taxes on such property, the Federal and state governments concurrently spend more and more on highways, airways and waterways.

Congress, showing some concern over the growing possibility that bureaucratic pressure will force the railroads into Federal receivership, is expected to offer remedial legislative action. (The House last week passed a far-reaching technical tax-aid bill which will give railroads an estimated $350 million extra, in future depreciation allowances, on so-called roadway assets — stations, tunnels, bridges, etc.)

Conservatives Meet: Two important conservative meetings took place in the Capital, January 30. Former Ambassador Spruille Braden, addressing a luncheon meeting of the American Coalition, blasted US grants to "national Communists" Tito and Gomulka. "What could be more utterly humiliating and shameful," Braden asked, "than for a proud and self-respecting people such as we, to try to bribe these wretches to be allies and friends?" (See Braden's article, "The Decline and Fall of 'Uncle Sap,' " in this issue.)

At a meeting of the Women's Patriotic Conference on National Defense, Senator William E. Jenner (R.-Ind.) similarly lashed out at profligate Government spending, warning his listeners that America's defense effort suffered, not from lack of money, but from the "cocoon" of collectivist red tape in which our Government has become enveloped.

A Number of Readers have written HUMAN EVENTS saying that they would like to pay for distribution of the article, "Woman's Place is Under the Dome," by Elizabeth Churchill Brown (January 13, 1958), but that they do not have access to mailing lists and other facilities. Many of these readers inquire: what would be the cost of having distribution of this article, to recognized women's leadership lists, handled by HUMAN EVENTS? Answer: counting postage, mailing list rental, addressing and cost of articles themselves, the charge would be $60 per thousand.

If you are interested in seeing this important article distributed, send your contribution in care of Mrs. Patricia Lutz, HUMAN EVENTS, 1835 K Street, N.W., Washington 6, D. C.

R. F. POOLE, President, Clemson Agricultural College: "I have been a consistent reader of — and like — HUMAN EVENTS. It often clarifies my reading on timely subjects, and I find the material well presented. I hope you will continue your present forceful editorial policy."

ROBERT D. FRALEY, Pastor, Quaker City Methodist Church, Quaker City, Ohio: "HUMAN EVENTS *presents a side* of the news which is often neglected by other papers and does so quite well. I always read HUMAN EVENTS with interest."

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HUMAN EVENTS, 1835 K Street, N.W., Washington 6, D. C., is a weekly newsletter reporting from Washington on politics, business, labor and taxes. It was founded in 1944 by Frank C. Hanighen. Published usually in two sections: a 4-page news section and a 4-page article section. Entered as second class matter at Washington, D. C. Copyright 1958.

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Vol. XV, No. 5 HUMAN EVENTS February 3, 1958

Article Section *Printed in Two Sections*

THE DECLINE AND FALL OF "UNCLE SAP"
Our Foreign Aid Program Has Bought Us Only Enemies

By HON. SPRUILLE BRADEN

EACH YEAR there are literally thousands upon thousands of pages of the *Congressional Record* and committee reports on the subject of foreign aid, describing the enormous range of activities that are undertaken by the International Cooperation Administration, otherwise known as ICA.

There are terrific bureaucratic pressures for the proliferation both of function and of organization. There has been a shameless deception, as well, perpetrated by the foreign aid bureaucrats on both the Congress and the people. In the final analysis, the public in a democracy is entitled to know what is being done with the taxpayers' money. In this case, neither the taxpayers nor the members of Congress really know what is going on.

Consider the layers of ignorance that envelop the foreign aid program. Because the bureaucrats don't know what an undeveloped area is, they can't define it. They can't define the difference between a "primeval" civilization, such as we have in many parts of the world, and a "primitive" civilization — each containing unending variations of economies, cultures and religions. The bureaucrats appeal to the American public by alleging that other peoples want the same things we have, despite all the many differences in educational and spiritual values that exist between separate societies. They ignore the happiness that other peoples may enjoy in an attempt to have everyone mirror American civilization.

The foreign politicos who get our foreign aid are alert to this situation; they realize that here is a great opportunity to get many billions from Uncle Sam. In fact, he came to be called "Uncle Sugar," and now "Uncle Sap." They laugh at the naiveté of the American public that seems to believe that anything and everything can be bought with money.

Needless to say, you can't buy everything for money. The Byzantines felt that they could buy diplomatic victories, but the so-called friends that they tried to buy didn't stay bought, any more than do many of our so-called friends today. Moreover, many foreign countries cannot absorb all the money and all the arms that we are forcing upon them. The result is that, as we bankrupt the United States, we frequently are distorting the economies and bankrupting the recipient countries as well.

Pedro Beltran, the former Peruvian Ambassador in Washington, for some years owner of *La Prensa*, a great newspaper in his country, has said: "If a nation relies on handouts to live . . . its future is doomed. As time goes on, it finds it harder and harder to get on its feet and forge its own future. . . . It ends by making no effort to develop its own resources or be self-supporting. As long as such a state of affairs prevails, such a country will never come of age, but will continue to be dependent on others without prospects for the future.

> **"It should be realized that private capital can achieve what no public treasury can do. When confidence has been established, the amount of private capital that may flow into a country is practically unlimited. Private investors will compete with one another and seek out the opportunities. . . . But money, government money, cannot do this, since risk venture is beyond its province. Private capital will flow . . . if the investor feels that he can operate in a free economy."**

THIS POLICY of government-to-government handouts is losing friends for the United States. We have read in the press frequently over the last few years of the tremendous growth in geographical area and number of Communist countries, millions of square miles added to their territory and of the hundreds of millions of people that were added to them. A similarly pernicious growth in the number of so-called "uncommitted" or "neutral" nations has taken place simultaneously.

How can we make friends by these measures? India gets mad because we give grants to Pakistan. Pakistan gets mad because we give grants to India. Others get mad because we give grants to either one or both of them. Still others get mad because we don't give them big enough grants. They ask for 50 million and we only give five million. The net result is that we've lost the friend plus the five million. Pakistan and Iraq were mad because we offered Egypt the Aswan Dam, which never should have been offered in the first place. Ceylon and other neutrals quite frankly prefer the Soviet or Chinese Communist loans to our gifts. They are opposed to us; they vote against us in the United Nations while nationalizing everything in their countries and creating socialist states.

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The motive behind our program seems to be: help your enemies (countries like India and Indonesia that lean to socialism and communism) and ignore your friends (for example, many of the faithfully pro-American countries in Latin America). This story will point the moral:

The Prince of Monaco went to Washington to meet the President. After some conversation, the President said, "Well, what's the Communist situation in Monaco?" The Prince: "Nary a Communist! We haven't ever seen anything like it. Not a fellow-traveller! Nothing! Clean as a whistle." "Well," said Mr. Truman, "I'm very sorry. We can't give you any grants or credits."

So the Prince went back disappointedly to Monaco. He sent a hurry-up telegram to the Foreign Minister of France, Bidault: "You've got a lot of Communists. Send me a dozen; I need them desperately." Bidault replied: "I'm sorry, I can't let you have any Communists because I need every one I've got here; otherwise the United States will cut our credit."

Similarly, a well-run, financially careful country gets less from us in handouts than do the spendthrifts. The government of one of the Baghdad Pact countries was trying seriously to gain financial stability. But its legislature insisted on a substantial deficit and was quite frank in giving the reason — "because the United States will pick up the tab." And we did. So we find all around the world such countries as Brazil, Chile, Bolivia and many others suffering from the severest kind of inflation. Spain was one country that was fairly free from it until we started to give her aid. Now she is having inflation.

What is even more disturbing, we give grants to Yugoslavia and Poland. Tito and Gomulka are just as much Communists as Khrushchev. Poland, which recently got $90 million from us, has appeared in Brazil, in our own hemisphere, offering to finance the development of a large iron ore deposit in competition with Americans. In other words, we are giving the Communists in Poland the money to compete with legitimate American enterprise in this hemisphere!

WE'RE PROMOTING socialism and the destruction of private enterprise and investment everywhere. We have been averaging over the past several years, since the end of World War II, $5 to $6 billion a year in foreign aid expenditures, plus more billions, under Law 480, covering the agricultural exports given away abroad. The total since 1946 gets up well over $60 billion.

If you take the assessed valuation of all of the real and other property in the 17 biggest cities in the United States — New York, Chicago, Philadelphia, Los Angeles, Detroit, Baltimore, Cleveland, St. Louis, Washington, San Francisco, Boston, Houston, Pittsburgh, Milwaukee, New Orleans, Buffalo and Dallas — it comes to just a little over $60 billion.* What we have done, in effect, is to take the 17 biggest cities of this country and ship them overseas. As of June 30, since the end of World War II, we have given away or loaned, in largely fictitious credits, $60 billion.

It's very hard to find out the exact figures on foreign aid. After the Congress reduced the Eisenhower Budget last year, the new foreign aid appropriations for fiscal year 1958 were as follows:

APPROPRIATIONS AS APPROVED BY CONGRESS
($1 Billion Less Than Requested by President Eisenhower)

New Appropriations for Fiscal Year 1958	$2,763,600,000
Reappropriated for unobligated Fiscal Year 1957	$ 667,000,000
Total approved for Fiscal 1958	$3,435,760,000
Total unexpended balance 6/30/57 (less $667,000,000 above)	$5,528,000,000

Congress has abdicated its control over the so-called reserved and unobligated funds. In fiscal year 1953 the publicly announced appropriations, not taking into account the reserved and unobligated funds, was over $6 billion. In 1953, the ICA payroll had 7,000 US citizens and a total of 10,338 employees altogether. This year, as of June 30, the payroll was 9,164 Americans and 13,000 in all.

The bureaucrats have a further trick; when they don't get all they want at a particular hearing of Congress on an appropriations bill, they later present deficiency bills. They are very smart about this and play down additional requests so that no one really knows exactly what is happening. Since November, 1956, ICA increased its personnel by 2,000 people. More are on the way. This has happened in spite of instructions from Congress that personnel was to be reduced by 10 per cent from the 1953 figure.

Another favorite foreign aid gambit over the last several years has been the appointment of committees and commissions. There were, for example, the Gray Commission, Eric Johnston's committee, Nelson Rockefeller's group, the Fairless Commission and others instructed to report on foreign aid.

All such commissions are taken in hand and into camp by the bureaucrats. The naive businessmen are brainwashed and sent around the world. When they get to the foreign countries, they are assailed by our other bureaucrats abroad, who are getting cars,

* Source: *1957 World Almanac* and *Moody's* for 1957. (By June 30, 1958, our giveaways will total $70 billion. This figure is the equivalent of the assessed valuation of our 24 largest cities.)

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homes, servants and all manner of luxuries such as they never enjoyed before. Some of these bureaucrats are socialists and some of them are worse. They have one talent, though, and that is being able to hoodwink so-called investigating committees before, during and after these much-heralded tours.

In connection with the financial and accounting aspects of foreign aid, a reading of the Fifth Report of the House Committee on Government Operations (May 15, 1957, House Report 449 of the 85th Congress, first session), will introduce citizens to a lot of new expressions, such as "over-programming," "illustrative budgeting" and "other costs."

"Over-programming" simply means getting more money than actually is needed. "Illustrative budgeting" means that ICA requests an appropriation for "X" millions of dollars to be spent in a given area, usually not in a particular country; *i.e.,* the appropriation would be requested for the Near East. The project also will be described in general, rather than specific, terms.

All businessmen are accustomed in their companies, when they get an income and expense statement, to list at the very end some trifling items that are put together as "other costs." Now, what were the "other costs" under the system used by these bureaucrats in Washington during 1956? *The item "Other Costs" was 70 per cent of the total spent in Jordan, 84 per cent of the amount spent in Guatemala and 93 per cent of that spent in Haiti,* and when the Congressmen asked what the "Other Costs" were, they couldn't be told — because "that's secret."

The following is from a Congressional report: "ICA witnesses admit the absence of any systematic recording of program changes. Indeed, it is obvious that frequently there is no recording of any kind." The Deputy Director for Programming told Congress he did not believe that "having a record would serve a sufficiently useful purpose to justify the work that would be involved." Again, quoting from the Congressional report: "ICA witnesses testified that there does not exist anywhere within ICA a 'single statement covering all the reasons why a particular aid level for a particular country was decided upon at the time it was decided upon.'"

WHERE DO THE ignorance, the deception, and the shabby procedures lead us? Here are some examples: A committee of 13 Republicans and 17 Democrats this year unanimously approved a 59-page report detailing "loose, slipshod and unbusinesslike spending of more than $250 million" — in Iran alone. This report declares: "it is now impossible with any accuracy to tell what became of the funds."

Congressman George Meader (R.-Mich.), and Eugene Castle in his book, *The Great Giveaway,* tell of a $128,000 cow barn in Lebanon, built to demonstrate to farmers living on $100 a year or less what they should provide themselves with in the way of cow barns. Plows and tractors by the thousands are unused and rusting away on piers and warehouses all over the world. There are $1,539,000 worth of prefabricated grain silos in India alone, plus untold millions of dollars' worth of other material and equipment which is unused or wasted all over the globe. The bureaucrats, however, continue to send more of the same material and equipment to the same places. For instance, while admitting that more than $1.5 million worth of silos were still sitting untouched in Calcutta, ICA approved a request from its office to India for another $4 million worth of silos! Other examples:

- *In Thailand, a 200-mile asphalt road was undertaken as a $6.5 million demonstration of United States efficiency in peaceful pursuits. After two-and-a-half years the cost has skyrocketed to $18 million for the first 100 miles.*

- About $3 billion of our money has been used by our beneficiaries to reduce their national debts — while our own debt spirals up to disastrous proportions.

- *We forced Afghanistan to get a loan from the Export-Import Bank for $40 million to pay for a $39.5 million dam and road for power, flood control and irrigation. The power never could be developed. Afghanistan didn't have any engineers that knew how to handle the job.*

- The same with Flood Control. Damming up these waters caused a concentration of salt in the fields so that the nomads, when they were finally induced to take over and try to do a little farming, found the land salted and unusable.

Such activities do not win us friends. On the contrary, as a recent French Premier said: "You are creating something akin to hatred by the way you distribute your aid."

- Utter confusion has existed with our foreign aid funds in Bolivia. It has been publicly stated, more than once, with no denials, that our aid there has been used to maintain service on Bolivia's loans with the Export-Import Bank.

That is, we American taxpayers have had our money taken away from us to loan to a Marxist government; then, when there appeared to be danger of a default on the loan, more of our money was given to cover the service to the Export-Import Bank.

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As nearly as can be estimated, we are today giving grants to Bolivia to pay between 39 and 47.5 per cent of her budget.

There is yet another dangerous aspect of the foreign aid hoax: a proposed organization called SUNFED, the Special United Nations Fund for Economic Development. It is now suggested that we turn money — $250 million per year, as a starter, over to the United Nations for them to spend. In a *Saturday Evening Post* guest editorial last year, I pointed out that "central control over and coordination of aid projects and allocation of funds are mainly exercised by the UN Technical Assistance Board whose Executive Chairman is David A. D. K. Owen, a British Socialist. In 1953, the Senate Internal Security Subcommittee reported that a heavy concentration of Fifth Amendment American citizens, removed from the United Nations staff after the purge, were in David Owen's Department of Economic Affairs.

"The Special Adviser to the UN Department of Economic Affairs and the man who now represents the Secretary General of SUNFED is Dr. Hans W. Singer, a British subject, who in 1950 advised the Government of Pakistan that the brutal and disastrous collectivization of agriculture in Russia in the 1920's was an example of very successful development planning."

The United States has long opposed a central spending plan for postwar economic aid. Now we are being urged by foreigners and some prominent Americans to become the largest contributor to an internationally administered fund growing out of a series of UN-hatched proposals which have two things in common: (a) the United States of America is to supply the money; and (b) the United Nations' most socialistic agencies are to spend it. How can any program of foreign aid, conducted with our money, win us friends if others disburse it? How can it confound our enemies if our enemies benefit from it?

THE LATEST GIMMICK, introduced by the bureaucrats last year, is to label our giveaway programs "loans." They induced the Secretary of State and other high authorities in the United States to state that these "loans" would be made only to cover "greater financial risks than acceptable to existing institutions." That is to say, the International Bank and Ex-Im Bank would be unwilling and unable by law to handle these "loans." They will be made only when financing cannot be obtained from other sources.

The trick will be to use the $300 million that was appropriated this year in order to get some surveys under way, a sort of seed money, and then go back to Congress and say: "Well, we told these countries that we'll come through with still more."

The whole point behind foreign aid, according to its advocates, is to win friends and allies and to defeat the Communists. It is argued that, if "underdeveloped" areas are industrialized and standards of living are raised, then the people will shun communism. But: take a look at our own country. Where are the Communists? They are in highly industrialized centers enjoying high living rates; they are not off in the mountains, plains or hill country. In Italy, where are the Communists? They are in the northern, highly industrialized parts with higher living standards, not in the south. What country in Europe is the least Communist? It's the poorest country in Europe — Ireland. All around the world it is the same.

At a meeting of the Council on Foreign Relations last spring, I asked the head of the ICA how he could justify the $60 billion we had spent when the French Premier had said it had made enemies for us all over the world, and the President and the Secretary of State had declared that never had we been in such dire peril as we are today. His reply was: "Mr. Braden, I don't know — I don't know the answer."

There is just one answer to this whole situation — get back to the fundamental principles that made this country great. Let us, in our international and national policies, get back to the precepts laid down by George Washington in the greatest policy document this country ever had—the "Farewell Address."

The Honorable Spruille Braden is a former Ambassador to several Latin American countries and Assistant Secretary of State. He has frequently lectured and written on the subject of foreign aid. His most recent contribution to HUMAN EVENTS was "Respect and Foreign Aid," June 16, 1956.

HUMAN EVENTS was founded in 1944 by Frank C. Hanighen. It is published weekly at 1835 K Street, N.W., Washington 6, D. C. and reports from Washington on politics, business, labor and taxes. It is usually published in two parts: a 4-page news section and a 4-page article. $10 per year.

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